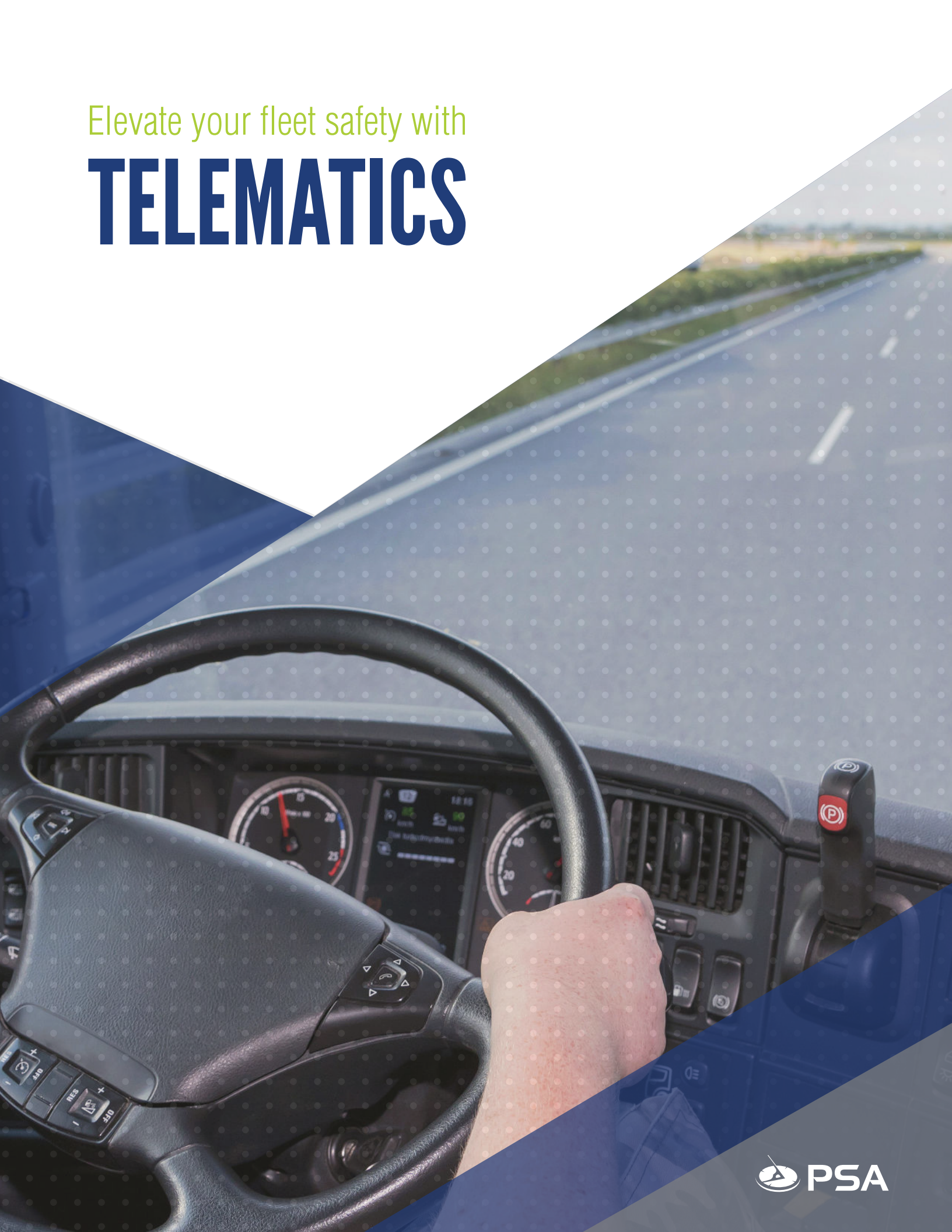


Elevate your fleet safety with

# TELEMATICS





# Did You Know That Road accidents...

- Cause close to 40,000 motor vehicle fatalities per year,<sup>1</sup>
- Are the leading cause of on-the-job fatalities,<sup>2</sup>
- Cause 4.5 million injuries per year,<sup>1</sup>
- Impact multiple lines of coverage, and
- Cost \$463 billion annually?<sup>1</sup>

If you are responsible for a fleet of vehicles and one of your drivers has patterns of at-risk driving behaviors that you don't notice and correct, your liability cost from an accident could be staggering. Additionally, a vehicle accident can result in three lines of your insurance premiums increasing. Your Worker's Compensation may be impacted because of workers who are injured, your Experience Modification Factor can be negatively impacted if multiple employees are injured in a vehicle accident, and your auto insurance pricing could be impacted by the vehicle damage and liability cost. If an accident is serious enough, your excess/umbrella coverage pricing could be increased as well. In all of this, price increases are the best-case-scenario—the possibility of insurance policy cancellation is a real threat as well.

<sup>1</sup><https://injuryfacts.nsc.org/motor-vehicle/overview/introduction/>

<sup>2</sup><https://www.cdc.gov/niosh/motorvehicle/resources/crashdata/facts.html>

# Real-Life Scenarios



## TRACTOR-TRAILER RAN RED LIGHT, CAUSING ACCIDENT.

While driving through an intersection, an SUV was broadsided by a tractor-trailer. The driver of the SUV and her son both suffered multiple traumas from the incident, including traumatic brain injuries. The driver's daughter sustained scratches from the incident as well as post-traumatic stress disorder from seeing her mother and brother injured. A lawsuit was filed against the driver of the tractor-trailer and the owner of the truck, claiming the company negligently entrusted the truck to the driver and was therefore vicariously liable.

**The jury award included \$24 million in past pain and suffering and an additional \$36 million in future pain and suffering. Ideally, the employer would have noticed patterns of distracted driving in this employee prior to an accident.**

**TOTAL VERDICT:  
\$70,578,289**

Source: National Law Journal/ALM Reprints & content Licensing. Top 100 Verdicts of 2019, Tomasa Cuevas, Alejandro Cuevas, and Maritza Cuevas v. Rai Transport, Inc., et al.



## DRIVER IMPAIRMENT LED TO FATAL ACCIDENT.

To avoid a collision with a stopped vehicle, the driver of a dump truck swerved into the path of a minivan. The two vehicles collided head-on, with the minivan driver suffering a fatal injury. The deceased's spouse filed suit against the driver of the dump truck for negligent operation, as well as the truck's owner for negligently hiring the driver since he had marijuana in his system at the time of the crash and the trucking company did not test him for drug use prior to employment or subject him to an ongoing drug-testing program.

**In addition to finding the driver negligent, the jury found that the trucking company failed to exercise the degree of ordinary care expected, and that failure was a significant cause of the minivan driver's death. In addition to drug testing, the employer should have noticed patterns of distracted or aggressive driving in this employee prior to an accident.**

**TOTAL VERDICT:  
\$32,144,972**

Source: National Law Journal/ALM Reprints & content Licensing. Top 100 Verdicts of 2019, Estate of Marie Garmon, et al. v. Eric Jenkins and Atlas Excavating/Atlas Trucking



## PARKED TRACTOR-TRAILER LED TO FATAL CRASH.

A driver making a U-turn on a state highway caused the operator of an oncoming vehicle to swerve out of the roadway, where she rear-ended a parked tractor-trailer. The driver of that vehicle was killed. The parents of the deceased filed suit against the driver of the vehicle making the U-turn, the owner of the business from which that driver departed, the driver of the tractor-trailer and that vehicle's owner. The lawsuit continued to trial with the tractor-trailer driver and his employer as the sole defendants. Plaintiff's counsel alleged that the vehicle was illegally parked, and that the transportation company was vicariously liable for the driver's actions..

**The jury determined damages at \$30 million, with the two defendants 40% responsible, collectively. Ideally, the employer would have tracked patterns of excessive idling or breaks in this employee prior to an accident.**

**TOTAL VERDICT:  
\$30,000,000**

Source: National Law Journal/ALM Reprints & content Licensing. Top 100 Verdicts of 2019, Estate of Marie Garmon, et al. v. Eric Jenkins and Atlas Excavating/Atlas Trucking

# The Solution: Telematics

Computers, satellites, and GPSs have been life-altering technologies developed throughout the past 60 years, but did you know that by combining the power of these three advancements, you can significantly improve your fleet safety management process? Fleet-based telematics fuse these technologies into something called Telematics, that allows you to monitor your drivers' behaviors, efficiency, and vehicle condition. While the GPS is at the core of this method, as a standalone technology, it does not do much more than provide directions. By merging the GPS technology with satellites and computers, you can now proactively monitor drivers with at-risk behaviors, such as speeding, hard braking, etc., and coach them before these behaviors become habits or cause a high-liability accident. As an extra bonus, the systems allow you to monitor your vehicles' operating condition, saving fuel and maintenance costs!

In a recent survey by Bibby Financial Services, "68% of smaller carriers (1-100 trucks) cited increasing costs as their top challenge. While insurance was top expenditure for most businesses, fuel and vehicle maintenance were the second and third biggest costs."

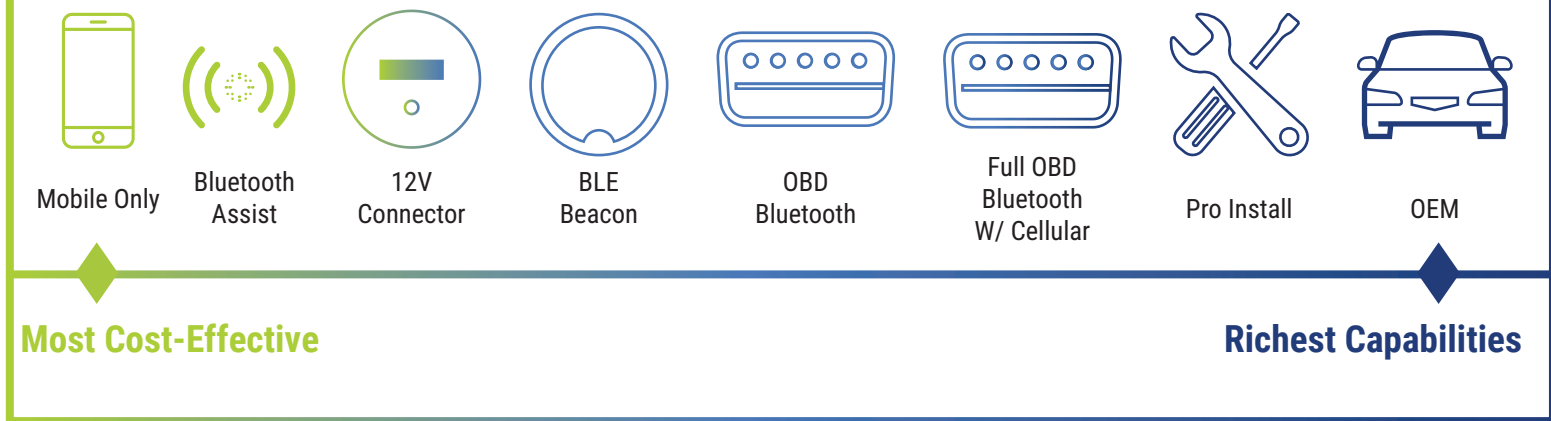
**PSA IS THE PARTNER WHO CAN ASSIST YOU IN IMPLEMENTING THE RIGHT TELEMATICS PROGRAM TO HELP REDUCE ALL THESE COSTS!**



# How it Works

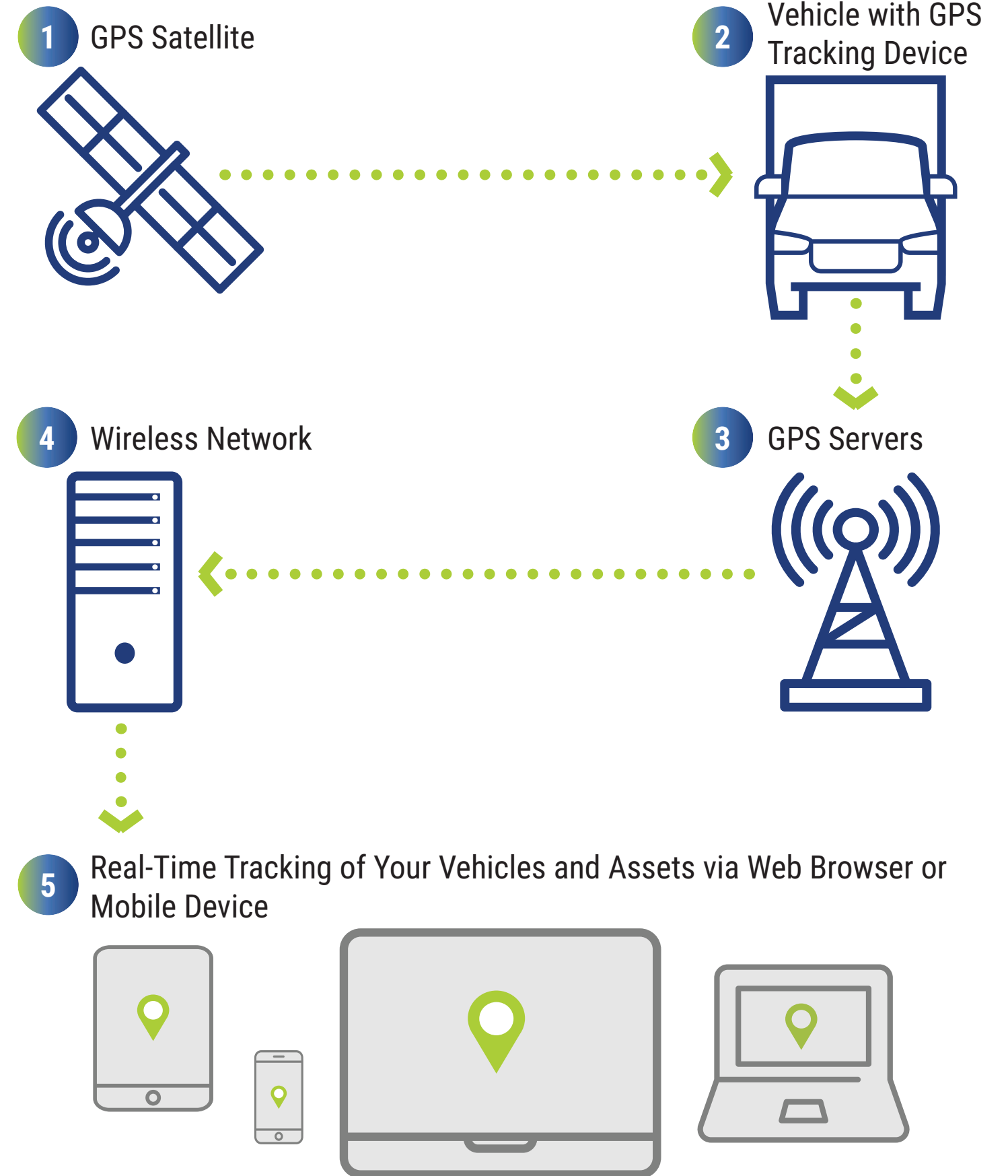
It all starts with installing the GPS-based Telematics device in the vehicle. The systems come in many different configurations with a range of features. The most basic option is a simple smart phone app, or a smart phone app using a separately-installed Bluetooth device (usually in the automobile auxiliary power outlet). A middle-of-the-line option is a device plugged into your on-board diagnostic port (OBD—where your mechanic plugs in a device to check for error codes), The most elite option with the most advanced features would be a factory-installed device. The key is to start somewhere, even if only with a simple device. However, we don't normally suggest the standalone cell phone-based apps unless you issue corporate cell phones. Many employees complain about having to add a tracking feature onto their personal cell phones, and we believe that is a legitimate issue.

## THE SYSTEMS COME IN MANY DIFFERENT CONFIGURATIONS WITH A RANGE OF FEATURES:



After installation, the real magic begins. The device monitors the locations, driving behaviors, fuel consumption, and vehicle condition, and transmits the data to a satellite. The satellite communicates with the telematic companies' servers, and the information is communicated to you in a user-friendly dashboard. You, in turn, utilize this information to proactively manage your drivers and your vehicle conditions to maintain a best-in-class fleet. The systems can be set-up to provide you automated alerts via email and text as soon as a driver performs an at-risk behavior. Some even set off an in-the-cab noise, alerting the driver and providing immediate feedback. Other, more sophisticated devices can even remotely slow the vehicle down if the speed limit is exceeded. The range of functionality varies, and you should choose a system that's right for your company. Even the simplest system will pay huge dividends!

## THE TECHNOLOGY PROCESS:



# Benefits of Telematics

01

## FEWER ACCIDENTS

The National Highway Traffic Safety Administration states “94 percent of serious crashes are due to dangerous choices or errors people make behind the wheel.” Telematics proactively identifies these issues and lets you manage them to break habits before they result in a costly accident.

02

## LESS SPEEDING AND DISTRACTED DRIVING

Speeding, tailgating, and distracted driving are the top at-risk behaviors that result in accidents. Telematics will monitor speed and allow you to identify any lead-footed or aggressive drivers BEFORE they cause an accident. While telematics does not directly monitor tailgating and distracted driving, if you have a driver that has a lot of hard braking and jackrabbit starts, they are most likely tailgating and/or driving distracted.

03

## REDUCED MAINTENANCE COSTS

Telematics will monitor the health of your vehicles and alert you to problems before they become a costly mechanical repair. Some systems even proactively provide diagnostic codes to you.

04

## LOWER FUEL COSTS

By limiting idle times, route inefficiencies, excessive speeding, hard braking, jackrabbit starts, etc., you can reduce fuel consumption and costs. What would even a 10% fuel savings mean to your bottom line?

05

## REDUCED LIABILITY

Juries don't want to hear that you didn't know a driver was unsafe. They expect you to manage your drivers and protect the public. Telematics allow you to demonstrate a good-faith effort with monitoring your drivers, coaching at-risk behaviors, and taking fleet safety seriously. These efforts will help in your defense of a lawsuit and could potentially reduce your liability. On the flip side, these systems only work if you monitor the data and take actions. If you install a system and ignore the warnings, it could damage your case. So, if you install a system, COMMIT to using the data proactively. Stolen vehicles can also be tracked and located more easily with Telematics. Telematics can also let you know if employees are adhering to your personal use of vehicle policies off hours.

05

## OPTIMIZING FLEET SIZE

Telematics can analyze your vehicle use efficiency. You can monitor excessive idle times, down time, and route inefficiencies. Using all this data could help you develop more efficient routes and optimize your fleet size. Live GPS monitoring of vehicles provides you their location at any given time, improving dispatch efficiency and eliminating redundant trips.

06

## LOWER IDLING

Many states have idling laws for commercial vehicles. Telematics will monitor your idle times to help you prevent idling fines, save fuel, reduce emissions, and increase productivity. This can also help you minimize your carbon footprint and help meet your company's green goals.

07

## LESS OVERTIME

If you can track route inefficiencies, long idle times, extended breaks indicated by vehicles not moving, and personal detours, you can reduce wasted hours, improve productivity, and possibly reduce overtime costs. Just 15-minutes per day wasted, multiplied by all your drivers, could add up quickly.

09

## PROACTIVE CHANGE AND IMPROVED SAFETY CULTURE

The biggest benefit of Telematics is the opportunity to identify and correct problems, BEFORE they become a major issue. It's like having a crystal ball and being able to control your future!

10

## IMPROVED BRAND IMAGE

Your vehicles are a moving billboard. If your drivers are making risky and erratic choices on the road, people remember that, and it reflects poorly on your brand image. Competition in the market is steep. People have many choices for the same service and are surely not going to choose the company that cut them off, sped excessively, or tailgated them. Telematics also allows you to geo-fence areas you want to avoid your vehicles parking, such as liquor stores and bars, which could hurt your brand image.

# Common Misconceptions

## SO, WHY WOULDN'T EVERYONE USE THIS TECHNOLOGY TO BE SAFER? A FEW REASONS:

- **Privacy.** We all value privacy—but privacy is for the home—not the workplace. There is no reasonable expectation of privacy with work computers, desks, lockers, etc. So, there should be no reasonable expectation of privacy while operating a vehicle for a company (privacy laws vary with inside facing dash cams that can record conversations, which is not covered within the scope of this document). The bottom line is, if you are entrusting your employee with a vehicle, they should expect to be monitored.
- **Cost.** The cost for investing in a telematics system is nominal compared to the potential liability reduction, insurance, wages, fuel, and maintenance cost savings. And like all technology, the cost of Telematics is coming down the longer it has been on the market. Rather than viewing it as a cost, consider it an investment in protecting your company. Before you make any purchases, have your insurance broker check with your current insurance carrier, because some commercial insurance carriers provide the service for free or for a discounted fee to policyholders. Don't worry, as of 2021, the majority of commercial insurance companies do not track and use your driving data for underwriting or premium decisions. Currently, this mainly occurs with personal automobile insurance. In fact, insurance companies look favorably upon commercial fleets that implement and effectively utilize Telematics. There is not a blanket percentage decrease we can quote, but the use of this technology does get positively factored into your pricing and coverage limits.
- **Complexity.** Today's systems are now mostly easy to set-up-and easy to maintain. Don't let installation anxiety scare you away; however, if you have a Collective Bargaining Agreement, you may need to negotiate the use of Telematics.

## NOW THAT WE HAVE REVIEWED AND ELIMINATED THE MOST COMMON EXCUSES AGAINST IMPLEMENTING TELEMATICS FOR YOUR FLEET, LET'S TAKE A LOOK AT SOME REAL RESULTS.

# Real Life Results

## SOME REAL-WORLD EXAMPLES OF CLIENTS AND EMPLOYERS WHO HAVE USED TELEMATICS INCLUDE:

**COST SAVINGS DISCOVERED.** A municipal water company used Telematics and did a detailed study of the results. Their results showed speeding incidents over 70MPH dropped from 2,000 incidents, to single digits in less than a year. At-fault accidents were reduced by 80%, from 34 to 7. Auto Liability claims cost dropped 98% from \$1.1M to \$17K. Wow! We can't promise these exact results for you, but what would even a fraction of these outcomes mean to your safety culture and bottom line?

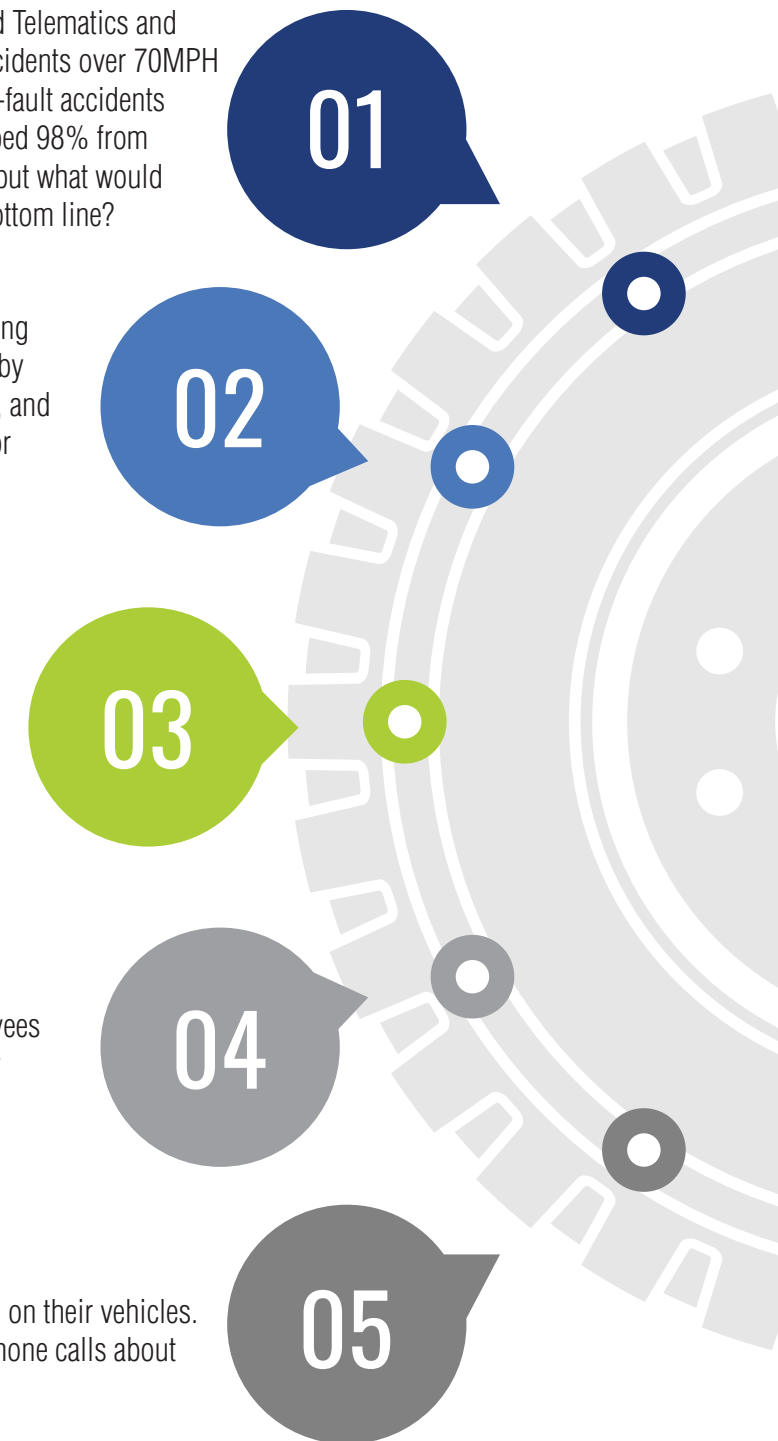
**INSIDE THEFT RING DISCOVERED.** We had client who was losing a lot of copper on job-sites, with the excuse that it was being stolen by local thieves. Our client geo-fenced the areas around all scrap yards, and discovered their own employees were taking the copper to be sold for personal gain.

**EXCESSIVE IDLING.** One client found their vehicles were gathering for excessive breaks and leaving the vehicles idling the entire time. Not only was the fuel consumption high, the employee break times were being extended.

**POTENTIAL AUTO THEFT.** One client discovered multiple employees left vehicles running while entering convenience stores, significantly increasing the chance of vehicle theft.

**NEGATIVE CALLS REDUCED.** One employer had 1-800 numbers on their vehicles. After installing Telematics, they saw an 80% reduction in negative phone calls about their vehicles. This is a good brand image win!

**It's not all about enforcement either. Telematics can help you manage drivers, so they become safer and improve your overall safety culture.**



# Next Steps

THERE IS NO DENYING THAT AN EFFECTIVE TELEMATICS PROCESS CAN PROTECT YOUR DRIVERS, REDUCE ACCIDENTS, SAVE MONEY, AND IMPROVE YOUR BRAND IMAGE. NOW THAT YOU'RE CONVINCED, HERE ARE THE NEXT STEPS.

**1. Contact your insurance broker** and ask what systems your insurance carrier offers or what vendors they suggest.

01

**3. Designate an in-house system administrator** to manage the program.

03

**2. Decide what features are important** to you and prioritize your top five. If your insurance carrier doesn't offer a system, research and decide on a Vehicle Telematics vendor.

02

**4. Develop a Telematics use and violation policy** (PSA clients—we already have template ready for you).

04

**5. Conduct management and employee training** on the following (ask your Telematics vendor—they may do it for you):

- Explaining the purpose of the system and how the data will be used
- Specifying driver's responsibilities
- Outlining manager's responsibilities
- Utilizing the information for incident and behavior coaching
- Managing at-risk behaviors and sharing consequences of poor driver performance (additional training, ride-along with a supervisor, disciplinary actions, etc.)

05

06

**6. Consider a grace period** to allow employees to get accustomed to the system and new guidelines. It takes about three weeks to break habits, so considering implementing a grace period for all but flagrant and excessive violations for the first 30 days.

07

**7. Share the benefits.** Let employees know how this system will benefit them. How will the cost savings impact your employees? Better equipment, better pay, etc. Consider incentives that reward the safest drivers, teams, or branches. Drivers can earn points for safe driving and lose them when they engage in at-risk habits. At the end of set periods, reward the best performers.

**8. Be transparent.** Let them know why you are doing this and how it is important to the longevity of your company. It's not big brother watching you, it's mentoring you on how to become best-in-class drivers with bright and SAFE futures.

08

**9. Use the data.** As mentioned earlier, your legal defense could be weakened if you have the data but didn't use it to improve behaviors. Use the data to have conversations with your drivers and coach them so they break the habit of at-risk behaviors. Document all conversations and corrective actions taken, even verbal coaching sessions.

09

# Choose safety now.

## DECREASE COSTS AND REDUCE LIABILITY.

If this sounds overwhelming, don't worry. PSA will guide you through the entire process and make sure your program is successful! We can help you choose the best solution for your needs and budget, and we will work with you every step of the way, from the research phase and implementation to using your data for positive outcomes.

In over 30 years in the safety business, Telematics is one of the best technologies we have seen. It can make the difference between a company being mediocre or best-in-class.

If you're ready to start building a culture of safety and accountability within your organization, we are here to help.



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